Saskatchewan
Learning

Financial Statement
2001-02

School Division Tax Loss Compensation Fund

102-07005/

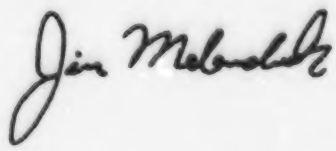
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour,

I have the honour to submit for your consideration the Financial Statements of the School Division Tax Loss Compensation Fund for the year ending March 31, 2002.

Respectfully submitted,



Jim Melenchuk
Minister of Learning

SCHOOL DIVISION TAX LOSS COMPENSATION FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2002

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the School Division Tax Loss Compensation Fund as at March 31, 2002 and the statement of revenue, expenditure and fund balance for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
July 11, 2002

Statement 1

School Division Tax Loss Compensation Fund
Balance Sheet
As at March 31

	2002	2001
ASSETS		
Due from General Revenue Fund (Note 4)	$ 3,813,492	$ 3,095,511
Accounts Receivable	428,482	210,114
	$ 4,241,974	$ 3,305,625
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	$ 766,500	$ 447,528
Fund balance (Statement 2)	3,475,474	2,858,097
	$ 4,241,974	$ 3,305,625

(See accompanying notes to the financial statements)

Statement 2

School Division Tax Loss Compensation Fund
Statement of Revenue, Expenditure and Fund Balance
For the Year Ended March 31

	2002	2001
REVENUE:		
Contributions	$ 2,023,068	$ 1,041,264
Investment Interest	111,609	156,665
Total Revenue	2,134,677	1,197,929
EXPENDITURE:		
Compensation to school divisions (Note 6)	1,517,300	780,948
Excess of Revenue over Expenditure	617,377	416,981
Fund balance, beginning of year	2,858,097	2,441,116
Fund balance, end of year (Statement 1)	$ 3,475,474	$ 2,858,097

(See accompanying notes to the financial statements)

5. Cash Flow Statement

A cash flow statement has not been presented since the cash flow information is readily apparent from the other financial statements.

6. Compensation to School Divisions

The following lists the organizations that have or will receive money from the Fund for the year ended March 31, 2002.

Organization	Amount	
	2002	**2001**
Battle River School Division #60	$ 5,303	$ 69,436
Battlefords School Division #118	302,457	182,465
Biggar School Division #50	12,015	25,208
Broadview School Division #18	16,130	54,901
Buffalo Plains School Division #21	35,650	9,988
Cupar School Division #28	66,892	36,242
Deer Park School Division #26	45,773	44,733
Landswest School Division #123	78,611	16,579
Meadow Lake School Division #66	92,070	58,062
Northern Lakes School Division #64	214,882	78,917
Outlook School Division #32	18,408	0
Paynton School Division #102	7,194	0
Potashville School Division #80	97,303	48,148
Prairie West School Division #75	36,729	0
Saskatchewan Valley School Division #49	197,995	37,173
Saskatoon(West) School Division #42	0	2,956
Scenic Valley School Division #117	41,183	6,174
Shamrock School Division #38	7,412	0
Turtleford School Division #65	23,835	69,501
Wakaw School Division #48	211,127	20,447
Yorkdale School Division #36	6,331	20,018
Total	$ 1,517,300	$ 780,948

SCHOOL DIVISION TAX LOSS COMPENSATION FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2002

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act.* The amendment came into force on June 22, 1993. On December 14, 1994, by Order in Council #840/94, the Lieutenant Governor in Council established regulations to administer the Fund.

The Fund is administered by the Department of Education on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Intergovernmental and Aboriginal Affairs) and federal (Indian Affairs and Northern Development Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Education. Included in revenue is $606,920 (2001 - $312,379) from Intergovernmental and Aboriginal Affairs, of which $128,545 (2001 - $96,889) was receivable at March 31, 2002.

4. Due From General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the School Tax Loss Compensation Fund.

The Fund's share of this interest is allocated to it by the General Revenue Fund on a quarterly basis using the Government's thirty day borrowing rate. The government's average thirty day borrowing rate for 2001-02 is 3.41% (2000-01 – 5.59%)